

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Market-Dominant Price Change

Docket No. R2021-2

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued June 3, 2021)

To clarify the basis of information provided by the Postal Service in its Notice of Market Dominant Price Change, filed May 28, 2021,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than June 10, 2021.

USPS Marketing Mail

1. Please refer to Table 12 on page 16 of the Notice.
 - a. Please confirm the dollar amounts from the column entitled "Previous Discount (000)" do not match the discounts approved in Docket No. R2021-1.² If not confirmed, please explain.
 - b. Please provide supporting workpapers showing the calculations used to derive Table 12.

Periodicals

2. In Excel file "Attachment B R2021-2.xlsx," tab "Passthrough Outside County," cell "M29" is empty, resulting in no passthrough in cell "O29." Please explain why the workshare discount for Nonmachinable Automation MADDC Flats was not brought

¹ United States Postal Service Notice of Market-Dominant Price Change, May 28, 2021 (Notice).

² Docket No. R2021-1, Library Reference PRC-LR-R2021-1/2 – Compliance Calculations for USPS Marketing Mail, November 18, 2020, Excel file "PRC-CAPCALC-MM-R2021-1.xlsx," tab "Flats & Parcels Dropship," column X.

into compliance with 39 C.F.R. § 3030.284, either by ensuring that the passthrough ratio is at least 85 percent or by raising the discount by at least 20 percent.

3. In Excel file “Attachment B R2021-2.xlsx,” tab “Passthrough Outside County,” cell “N33” is empty, resulting in a passthrough of 0.0 percent in cell “O33.” Please explain why the workshare discount for 3-Digit Automation Letters was not brought into compliance with 39 C.F.R. § 3030.284, either by ensuring that the passthrough ratio is at least 85 percent or by raising the discount by at least 20 percent.
4. For Periodicals Within County, each DDU entered piece receives a workshare discount of \$0.008. See Notice, Attachment A at 91. In Excel file “Attachment B R2021-2.xlsx,” tab “Passthroughs_WC,” cell “G22” is empty, resulting in a passthrough of 0.0 percent in cell “I22.” Please explain why the workshare discount was not brought into compliance with 39 C.F.R. § 3030.284, either by ensuring that the passthrough ratio is at least 85 percent or by raising the discount by at least 20 percent.
5. In Excel file “Attachment B R2021-2.xlsx,” tab “Per. Bundle-Container Pricing,” cell “B91,” the Postal Service states that “[d]ue to unavailability of Tray Costs, Sack Costs are used as proxies for Tray Costs.” In a CHIR response in Docket No. R2021-1,³ the Postal Service stated “[d]espite the appropriateness of proxy treatment, the Postal Service intends to develop separate bottom-up costs for trays in FY2021.” Please provide an update on the status of developing separate bottom-up costs for trays.

³ Docket No. R2021-1, Response of the United States Postal Service to Chairman’s Information Request No. 2, October 26, 2020, question 9.b.ii.

Package Services

6. Please refer to the Notice and Library Reference USPS-LR-R2021-2/4 – Package Services Workpapers, May 28, 2021, Excel file “CAPCALC-PACKSERV-R2021-2” (Package Services CAPCALC file).
 - a. Please reconcile Table 4 on page 5 of the Notice, which states that the Package Services price increase is 8.806 percent, with Package Services CAPCALC file, tab “All Package Services Summary,” cell F23, which states that the price increase is 8.804 percent.
 - b. Please reconcile Table 5 on page 5 of the Notice, which states that the unused price authority after the planned price change for Package Services is 0.006 percent, with Package Services CAPCALC file, tab “All Package Services Summary,” cell D40, which states that the remaining price authority is 0.008 percent.

Compliance with 39 C.F.R. Part 3030

7. 39 C.F.R § 3030.122(h) requires a certification from the Postal Service that “all cost, avoided cost, volume, and revenue figures submitted with the rate adjustment filing are developed from the most recent applicable Commission accepted analytical principles.” 39 C.F.R § 3030.122(h).
 - a. Please confirm that all cost, avoided cost, volume, and revenue figures submitted with the rate adjustment filing were developed using the most recent applicable Commission accepted analytical principles. If confirmed, please provide the certification required by 39 C.F.R. § 3030.122(h).
 - b. If part a. is not confirmed, please provide a detailed explanation for any cost, avoided cost, volume, or revenue figure that was not developed using the most recent applicable Commission accepted analytical principles.

8. 39 C.F.R. § 3030.123(c) requires that the Postal Service provide the banked rate adjustment authority, by class, that was available “for each of the preceding 5 years as required by subpart H [of 39 C.F.R. part 3030].” 39 C.F.R. § 3030.123(c). Please provide this information.

By the Chairman.

Michael Kubayanda